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Laura Bateman
Carolinas Rates & Regulatory Strategy
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August 28, 2015

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, SC 29211

Dear Mrs. Boyd:

Enclosed per Docket No. 2006-268-E is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending June 30, 2015. Debt coverage ratio of earnings to Fixed Charges was 4.81 for this time period.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'LBateman', written in a cursive style.

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

Enclosures

pc: Mr. Dukes Scott, Executive Director
Office of Regulatory Staff

Mr. John Flitter, Director
Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

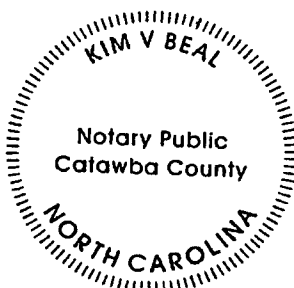
James D. Wiles
Signature of Person Making Verification

James D. Wiles
Typed or Printed Name of Person Signing

Transaction & Risk Committee Secretary & Director
Regulated Utilities Risk Management
Title

August 19, 2015
Date Signed

Subscribed and sworn to before me this 19 day of August, 2015.



Kim V. Beal
Notary Public

My Commission Expires: October 24, 2019

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

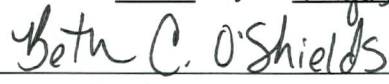

Signature of President

Clark S. Gillespy
Typed or Printed Name of Person Signing

State President, Duke Energy South Carolina
Title

08/21/15
Date Signed

Subscribed and sworn to before me this 21 day of August, 2015.


Notary Public

My Commission Expires: 4/16/2024

Duke Energy Carolinas, LLC
Electric Operating Experience - Total Company & SC Retail
12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Regulatory Per Books	Pro-Forma Adjustments	As Adjusted	Regulatory Per Books	Pro-Forma Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenues</u>	\$ 7,196,458	\$ (168,572)	\$ 7,027,886	\$ 1,736,314	\$ (42,960)	\$ 1,693,354
2	<u>Operating Expenses</u>						
3	O&M Expenses - Fuel	1,602,400	-	1,602,400	399,661	(952)	398,709
4	O&M Expenses - Purchased Power and Net Interchange	374,910	-	374,910	93,329	-	93,329
5	O&M Expenses - Wages, Benefits, Materials, etc.	1,908,851	(36,682)	1,872,169	438,002	(13,440)	424,562
6	Depreciation & Amortization Expenses	1,053,205	38,031	1,091,236	230,332	7,935	238,267
7	Taxes Other Than Income	245,372	12,731	258,103	76,169	3,130	79,299
8	Income Taxes	576,638	(73,353)	503,285	145,748	(15,720)	130,028.16
9	Investment Tax Credit	(5,529)	-	(5,529)	(1,275)	4	(1,271)
10	<u>Total Operating Expenses</u>	<u>5,755,847</u>	<u>(59,273)</u>	<u>5,696,575</u>	<u>1,381,966</u>	<u>(19,043)</u>	<u>1,362,923</u>
11	Operating Return	1,440,611	(109,300)	1,331,311	354,348	(23,917)	330,431
12	Customer Growth	-	3,057	3,057	-	3,057	3,057
13	Interest on Customer Deposits (Before Taxes)	8,366	-	8,366	986	-	986
14	<u>Total Income for Return</u>	<u>\$ 1,432,245</u>	<u>\$ (106,243)</u>	<u>\$ 1,326,002</u>	<u>\$ 353,362</u>	<u>\$ (20,860)</u>	<u>\$ 332,502</u>
15	<u>Rate Base</u>						
16	Plant in Service	\$ 33,903,561	\$ 905,292	\$ 34,808,853	\$ 7,687,623	\$ 177,219	\$ 7,864,843
17	Reserve for Depreciation	(13,673,901)	(38,031)	(13,711,932)	(3,100,673)	2,121	(3,098,552)
18	Net Plant	20,229,660	867,260	21,096,921	4,586,951	179,340	4,766,291
19	Construction Work in Progress	400,212	1,036,055	1,436,267	93,885	235,157	329,043
20	Other Rate Base	(478,795)	-	(478,795)	(111,237)	-	(111,237)
21	Total Working Capital	2,016,209	(4,585)	2,011,624	438,561	(1,680)	436,881
22	Materials & Supplies	1,681,535	(120,410)	1,561,125	404,663	(30,067)	374,596
23	Accumulated Deferred Income Taxes	(6,090,123)	(55,404)	(6,145,527)	(1,394,909)	(10,001)	(1,404,909)
24	<u>Total Rate Base</u>	<u>\$ 17,758,698</u>	<u>\$ 1,722,917</u>	<u>\$ 19,481,615</u>	<u>\$ 4,017,915</u>	<u>\$ 372,750</u>	<u>\$ 4,390,665</u>
25	<u>Rate of Return</u>	8.07%		6.81%	8.79%		7.57%
26	<u>Return on Equity</u>	10.43%		8.24%	11.69%		9.57%

Duke Energy Carolina, LLC
Electric Accounting & Pro Forma Adjustments
12 Months Ended June 30, 2015

Adj. #	Description	Revenues	OGM Expenses Fuel	OGM Expenses Other	Direct & Indirect Expenses	Trans. Other Non-Income	Interest on Debt	Income (Loss) 37.92%	Investment Credit	Plant in Service	Accum. Deprec.	OWIP	ADIT	Other Rate Base	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 14,099	\$ -	\$ -	\$ (5,346)	\$ -	\$ -	\$ (14,099)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	21,016	-	1,937	-	(8,703)	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	(526)	-	-	-	189	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	7,254	-	(2,750)	-	-	-	-	-	-	-	-
5	To Reflect OWIP Changes to Plant	-	-	-	23,322	3,327	-	(10,411)	-	905,292	(23,322)	-	(55,404)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(4,108)	-	-	-	-	-	-	-	-
7	To Annualize Amortization of Bulk and Bridgeway	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	To eliminate undistributed revenues	12,895	-	-	-	13	-	4,884	-	-	-	-	-	-	-	(120,410)
9	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Adjust the amount of OWIP in rate base	-	-	-	-	-	-	-	-	-	-	1,038,955	-	-	-	-
11	Adjust 18 OGM for accounting and pro forma adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,595)	-
12	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	To remove SC Load Retention Rider revenues	2,903	-	41,980	-	-	-	(15,417)	-	-	-	-	-	-	-	-
15	To remove DSM&EE program revenues and program costs	(164,370)	-	(88,151)	-	-	-	1,110	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ (168,572)	\$ -	\$ (16,482)	\$ 38,831	\$ 12,731	\$ -	\$ (73,353)	\$ -	\$ 905,292	\$ (24,031)	\$ 1,038,955	\$ (55,404)	\$ -	\$ (4,595)	\$ (120,410)

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
Schedule 4
12 Months Ended June 30, 2015

Adj. #	Description	Revenues	OMM Expense Fuel	OMM Expense Other	Deprec. & Amortization Expense	Trans. Charge Income	Interest on Debt Deposits	Income Tax 38.25%	Investment Income Credit	Plant in Service	Accum. Deprec.	CWIP	AUT	Deferred Debit/Credit	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 3,235	\$ -	\$ -	\$ (1,238)	\$ -	\$ -	\$ (3,235)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	4,793	-	442	-	(2,002)	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	(120)	-	-	-	48	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	2,148	-	(822)	-	-	-	-	-	-	-	-
5	To Reflect CWIP Closure to Plant	-	-	-	6,420	785	-	(2,373)	-	203,728	(5,420)	-	(12,469)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(560)	-	-	-	-	-	-	-	-
7	To Annualize Amortization of Buck and Brickwater	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	To eliminate unbilled revenues	3,587	-	-	-	4	-	1,371	-	-	-	-	-	-	-	-
9	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,047)
10	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-	-	-	283,167	-	-	-	-
11	Adjust US OMM for accounting and pro forma adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,580)	-
12	To Exclude Greenwood Operations	(833)	(952)	(1,895)	(720)	(249)	-	1,064	4	(26,519)	10,776	-	2,468	-	-	-
13	To Normalize Nuclear Refueling Outage Costs	-	-	9,739	-	-	-	(3,725)	-	-	-	-	-	-	-	-
14	To remove OSMEF program revenues and program costs	(48,617)	-	(26,157)	-	-	-	(8,591)	-	-	-	-	-	-	-	-
15	To remove BC Load Reliance Rider revenues	2,903	-	-	-	-	-	110	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ (42,856)</u>	<u>\$ (952)</u>	<u>\$ (13,449)</u>	<u>\$ 7,935</u>	<u>\$ 3,130</u>	<u>\$ -</u>	<u>\$ (15,729)</u>	<u>\$ 4</u>	<u>\$ 177,219</u>	<u>\$ 2,151</u>	<u>\$ 233,167</u>	<u>\$ (19,691)</u>	<u>\$ -</u>	<u>\$ (1,580)</u>	<u>\$ (30,047)</u>

Duke Energy Carolinas, LLC
Statement of Fixed Assets - Electric
12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
Gross Plant in Service							
1	Intangible Plant	\$ 540,095	\$ 270,831	\$ 810,926	\$ 122,471	\$ 62,466	\$ 184,937
2	Production	19,302,539	423,760	19,726,299	4,377,014	98,308	4,475,322
3	Transmission	3,246,150	137,439	3,383,589	736,092	24,425	760,517
4	Distribution	9,951,487	78,141	10,029,628	2,256,584	19,683	2,276,266
5	General	849,127	(4,879)	844,247	192,547	(1,143)	191,403
6	Common	-	-	-	-	-	-
	Subtotal	33,889,397	905,292	34,794,689	7,684,707	203,738	7,888,446
7	Plant Held for Future Use	14,164	-	14,164	2,916	-	2,916
8	Greenwood	-	-	-	-	(26,519)	(26,519)
9	Total Gross Plant in Service	\$ 33,903,561	\$ 905,292	\$ 34,808,853	\$ 7,687,623	\$ 177,219	\$ 7,864,843
Construction Work in Progress							
10	Production	\$ 225,951	\$ 782,332	\$ 1,008,284	\$ 53,773	\$ 180,140	\$ 233,913
11	Transmission	22,674	84,397	107,071	4,108	14,920	19,028
12	Distribution	6,941	82,863	89,804	1,750	20,871	22,620
13	General	8,752	39,957	48,709	2,073	9,339	11,412
14	Intangible	135,893	46,506	182,400	32,182	9,887	42,069
15	Total Construction Work in Progress	\$ 400,212	\$ 1,036,055	\$ 1,436,267	\$ 93,885	\$ 235,157	\$ 329,043

Duke Energy Carolinas, LLC
Reserve for Depreciation - Electric
12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 7)
	\$	\$	\$	\$	\$	\$	\$
1	Intangible Plant	\$ (438,188)	\$ (7,719)	\$ (445,907)	\$ (99,363)	\$ (1,780)	\$ (101,143)
2	Production	(7,322,130)	(25,292)	(7,347,421)	(1,660,355)	(5,867)	(1,666,222)
3	Transmission	(1,327,286)	(3,920)	(1,331,206)	(300,973)	(697)	(301,670)
4	Distribution	(4,262,681)	(4,962)	(4,267,643)	(966,599)	(1,216)	(967,814)
5	General	(323,616)	3,861	(319,755)	(73,383)	905	(72,478)
6	Common					-	-
7	Greenwood					10,776	10,776
8	Total Reserve for Depreciation	<u>\$ (13,673,901)</u>	<u>\$ (38,031)</u>	<u>\$ (13,711,932)</u>	<u>\$ (3,100,673)</u>	<u>\$ 2,121</u>	<u>\$ (3,098,552)</u>

Duke Energy Carolinas, LLC
Other Rate Base - Electric
 12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2) \$	(Col. 3) \$	(Col. 4) \$	(Col. 5) \$	(Col. 6) \$	(Col. 7) \$
1	Operating Reserves	\$ (478,795)	\$ -	\$ (478,795)	\$ (111,237)	\$ -	\$ (111,237)
2							
3							
4							
5							
6							
7							
8	Total Other Rate Base	\$ (478,795)	\$ -	\$ (478,795)	\$ (111,237)	\$ -	\$ (111,237)

Duke Energy Carolinas, LLC
Total Working Capital - Electric
 12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	
	\$	\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	\$ 3,483,972	\$ (36,682)	\$ 3,447,290	\$ 830,781	\$ (13,440)	\$ 817,341
2	Working Cash (1/8 of O&M Expenses on Line 1)	\$ 435,497	\$ (4,585)	\$ 430,911	\$ 103,848	\$ (1,680)	\$ 102,168
3	Average Tax Accruals	(181,014)	-	(181,014)	(41,025)	-	(41,025)
4	Subtotal: Investor Funds for Operations	254,482	(4,585)	249,897	62,823	(1,680)	61,143
5	Unamortized Debt	116,828	-	116,828	26,626	-	26,626
6	Required Bank Balance	340	-	340	77	-	77
7	Prepayments	45,634	-	45,634	10,771	-	10,771
8	Customer Deposits	(128,542)	-	(128,542)	(28,198)	-	(28,198)
9	Other	1,727,468	-	1,727,468	366,462	-	366,462
10	Total Working Capital	\$ 2,016,209	\$ (4,585)	\$ 2,011,624	\$ 438,561	\$ (1,680)	\$ 436,881

Duke Energy Carolinas, LLC
Materials & Supplies - Electric
 12 Months Ended June 30, 2015

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 7)
	\$	\$	\$	\$	\$	\$	\$
<u>Fuel Stock</u>							
1	Fossil	405,151	(120,410)	284,741	102,219	(30,067)	72,153
2	Nuclear	502,431		502,431	126,763		126,763
3	Total Fuel Stock	907,582	(120,410)	787,172	228,983	(30,067)	198,916
4	Emission Allowances	24,979	-	24,979	5,670	-	5,670
5	Other Electric Materials and Supplies	748,974	-	748,974	170,010	-	170,010
6	Total Materials & Supplies	\$ 1,681,535	\$ (120,410)	\$ 1,561,125	\$ 404,663	\$ (30,067)	\$ 374,596

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

	Total Company	SC Retail
Coal Inventory Target Level (in tons)	2,525	
Price per Ton - Coal	\$97.50	
Total Company Pro Forma Inventory	<u>\$ 246,188</u>	<u>\$ 61,474</u>
Per Book Coal Inventory	366,597	91,541
Coal Adjustment	<u>\$ (120,410)</u>	<u>\$ (30,067)</u>

Duke Energy Carolinas, LLC
Capital Expenditures Operations
12 Months Ended June 30, 2015

Total Company													
As Adjusted													
Per Books													
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
1	Long Term Debt	\$ 8,382,330	42.42%	\$ 7,553,000	4.88%	2.06%	\$ 366,104	\$ 8,382,330	42.42%	\$ 8,293,838	4.88%	2.06%	\$ 401,823
2	Preferred Stock												
3	Common Equity	11,378,823	57.58%	10,225,898	10.43%	6.01%	1,066,141	11,378,823	57.58%	11,217,777	8.24%	4.74%	924,379
4	Total	\$ 19,760,953	100.00%	\$ 17,758,898			\$ 1,432,245	\$ 19,760,953	100.00%	\$ 19,481,615			\$ 1,326,002

Total Company													
As Adjusted													
Per Books													
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
5	Long Term Debt	\$ 8,382,330	42.42%	\$ 1,704,345	4.88%	2.06%	\$ 82,831	\$ 8,382,330	42.42%	\$ 1,892,461	4.88%	2.06%	\$ 90,516
6	Preferred Stock												
7	Common Equity	11,378,823	57.58%	2,313,570	11.69%	6.73%	270,631	11,378,823	57.58%	2,528,204	6.67%	5.51%	241,089
8	Total	\$ 19,760,953	100.00%	\$ 4,017,915			\$ 353,382	\$ 19,760,953	100.00%	\$ 4,390,665			\$ 332,502

Notes: (a) Long term debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt expense, discounts and premiums. Current long term debt maturities are excluded.

(b) Includes net of tax Progress meter costs to achieve of approximately \$10 million.